

Exhibit 2

1 Goldstein
2 UNITED STATES DISTRICT COURT
3 SOUTHERN DISTRICT OF NEW YORK
4 -----x
5 IN RE:
6 RESIDENTIAL CAPITAL, LLC,
7 et al., Civil Action No.
8 12-12020 (MG)

9 Debtors.
10 -----x

11 CHARLES RONALD GOLDSTEIN
12 New York, New York
13 Friday, July 26, 2013
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22 Reported by: Steven Neil Cohen, RPR
23 Job No. 64091
24
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<p>1 Goldstein 2 of the analysis. 3 BY MR. KOTWICK: 4 Q. Could you tell me again what your 5 best -- what your idea of a best case 6 scenario would include? 7 A. Again I -- 8 MR. BAIO: Object to the form. 9 THE WITNESS: I haven't even seen 10 their decisions on parameters in the 11 model to know which default rates and 12 what they have done with the economy, 13 the recoveries from foreclosure 14 proceedings and all of that that 15 require, so I haven't seen those inputs 16 to then change those inputs to develop 17 what would be a better case than the 18 base case. 19 BY MR. KOTWICK: 20 Q. Have you ever seen rehabilitation 21 plans other than in the FGIC rehabilitation 22 proceeding? 23 A. Yes. I actually am the bankruptcy 24 trustee for an insurance holding company and 25 had one such proceeding in the state of</p>	<p>1 Goldstein 2 Louisiana. 3 Q. In that proceeding was there a 4 rehabilitation plan put forward? 5 A. No. I mean there was a plan, yes, 6 there was a plan put forth but it was a 7 quickly liquidating plan. 8 Q. Did that quickly liquidating plan 9 provide for a best case scenario? 10 A. It was not a -- the cash flows 11 associated with that portfolio were not -- 12 did not have the 40-year runoff that we have 13 in this particular matter. 14 Q. Are you aware of any analogous 15 situation of the FGIC rehab proceeding in 16 which a rehabilitation plan provided a best 17 case scenario? 18 A. I guess maybe we need to be clear. 19 I don't think you understand the way we do 20 it and you just want to ask the question 21 again. 22 I am not saying that FGIC is 23 required to do that. 24 What I am saying is that Duff & 25 Phelps and that the trustees should consider</p>
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<p>1 Goldstein 2 what other -- what are we missing, what is 3 it that is not included in these two cases, 4 the stress and the base case that might be 5 something I should think about. 6 And in those items or the items I 7 mentioned throughout the deposition that 8 they should have put together as well as 9 the -- those parameters as to the economy, 10 housing values and the like that are inputs 11 into the models that could generate a -- 12 maybe a more favorable scenario so that at 13 least the parties could consider that or the 14 trustees would be able to consider that. 15 Q. Going back to paragraph 27, page 16 10. 17 A. Yes. 18 Q. At the end of that last sentence 19 you make a reference to "The base scenario 20 excluded recoveries that FGIC expects to 21 receive in the normal course of operations, 22 refer to paragraph 29 below." 23 If you refer to paragraph 29 that 24 paragraph begins, "According to FGIC's own 25 regulatory filings FGIC has projected more</p>	<p>1 Goldstein 2 than \$1 billion in gross recoveries from 3 various loss mitigation activities such as 4 the pursuit of litigation claims." 5 Is that what you believe and what 6 you reference in paragraph 27 as being 7 excluded from the base case? 8 MR. BAIO: Object to the form. 9 THE WITNESS: I believe that all 10 of those potential litigation recoveries 11 have been excluded other than 12 reinsurance recoveries. 13 Most of the -- when you read the 14 statutory or the regulatory requirements 15 and the assessment of that line item it 16 includes subrogation claims and 17 reinsurance claims and I think we saw in 18 the model that there is about 19 \$200 million or so of reinsurance 20 claims. 21 The \$800 million or so of the 22 subrogation claims or the types of 23 claims we are talking about were 24 estimated and in the regulatory filing. 25 So those are the only two types</p>

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<p>1 Goldstein</p> <p>2 that there could be per their standard</p> <p>3 and the claims that are listed there are</p> <p>4 subject to review by the parties</p> <p>5 providing that number so that it</p> <p>6 provides guidance in the regs to say it</p> <p>7 is -- we understand these things are</p> <p>8 judgmental and that we want the</p> <p>9 fiduciaries or whoever is preparing</p> <p>10 those items to develop a scenario or a</p> <p>11 range but those ranges need to be within</p> <p>12 some sort of reasonable range and that</p> <p>13 is the expectation of arriving at that</p> <p>14 number.</p> <p>15 BY MR. KOTWICK:</p> <p>16 Q. You referred to various regulatory</p> <p>17 filings and regulations.</p> <p>18 Are you familiar with the</p> <p>19 regulations governing FGIC's financial</p> <p>20 statements?</p> <p>21 MR. BAIO: Object to the form.</p> <p>22 THE WITNESS: Yes. I have read</p> <p>23 the sections that I believe relate to</p> <p>24 their filings and particularly in</p> <p>25 relation to the \$1 billion that is</p>	<p>1 Goldstein</p> <p>2 listed in those schedules.</p> <p>3 BY MR. KOTWICK:</p> <p>4 Q. When you say "those schedules,"</p> <p>5 let me mark for identification as Goldstein</p> <p>6 Exhibit 7, a document entitled "Quarterly</p> <p>7 Statement of the Financial Guarantee</p> <p>8 Insurance Company in Rehabilitation as of</p> <p>9 March 31, 2013."</p> <p>10 (Document entitled "Quarterly</p> <p>11 Statement of the Financial Guarantee</p> <p>12 Insurance Company in Rehabilitation as of</p> <p>13 March 31, 2013" was marked Goldstein Exhibit</p> <p>14 7 for identification)</p> <p>15 BY MR. KOTWICK:</p> <p>16 Q. Mr. Goldstein, the reporter has</p> <p>17 handed you what has been marked for</p> <p>18 identification as Goldstein 7.</p> <p>19 I am looking at your report and</p> <p>20 the footnote in paragraph 29 to the</p> <p>21 \$1 billion in gross recoveries sentence.</p> <p>22 It refers to the quarterly</p> <p>23 statement of the Financial Guaranty</p> <p>24 Insurance Company as of March 31, 2013, page</p> <p>25 6.16.</p>
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<p>1 Goldstein</p> <p>2 Is that the document that we have</p> <p>3 now marked as Goldstein 7?</p> <p>4 A. That is that document, yes.</p> <p>5 Q. And if you refer to page 6.16</p> <p>6 where on that page is the reference to the</p> <p>7 \$1 billion in gross recoveries from various</p> <p>8 loss mitigation activities that you refer to</p> <p>9 in your report?</p> <p>10 A. If you go to the middle below</p> <p>11 where it says "gross loss reserves," do you</p> <p>12 see that, it says "less"?</p> <p>13 Q. Okay.</p> <p>14 A. "Gross projected recoveries."</p> <p>15 Q. That number is a billion 58</p> <p>16 million 632 dollars?</p> <p>17 A. Yes.</p> <p>18 Q. What do you understand that number</p> <p>19 to represent?</p> <p>20 A. It represents management's</p> <p>21 estimate of two types of recoveries.</p> <p>22 One, as I mentioned before,</p> <p>23 subrogation rights.</p> <p>24 And, secondly, related to</p> <p>25 reinsurance claims.</p>	<p>1 Goldstein</p> <p>2 Q. What is the basis of your</p> <p>3 understanding?</p> <p>4 A. The regulations as I think it is</p> <p>5 referred SAP 62.</p> <p>6 I did not bring those pages with</p> <p>7 me but it discusses the basis upon which</p> <p>8 those responsible parties need to judge</p> <p>9 particular recoveries and how they should go</p> <p>10 about doing that.</p> <p>11 Q. In your report you state that the</p> <p>12 \$1 billion in gross recoveries are from</p> <p>13 various loss mitigation activities.</p> <p>14 Is that the same as the</p> <p>15 subrogation and reinsurance issues you just</p> <p>16 raised?</p> <p>17 A. Yes.</p> <p>18 Q. Your understanding is that FGIC</p> <p>19 has excluded that billion 58 million 632</p> <p>20 number -- dollar number, from their base</p> <p>21 case analysis?</p> <p>22 MR. BAIO: Object to the form.</p> <p>23 THE WITNESS: The -- I think I</p> <p>24 mentioned earlier that we did identify</p> <p>25 and subsequently provided information</p>

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<p>1 Goldstein</p> <p>2 about \$200 million of reinsurance</p> <p>3 proceeds. But the remainder, yes.</p> <p>4 BY MR. KOTWICK:</p> <p>5 Q. So 800 million is the remainder</p> <p>6 approximately?</p> <p>7 A. Yes.</p> <p>8 Q. Your understanding is that</p> <p>9 \$800 million was excluded from the base case</p> <p>10 scenario?</p> <p>11 MR. BAIO: Object to the form.</p> <p>12 THE WITNESS: I have seen no proof</p> <p>13 that it is included.</p> <p>14 BY MR. KOTWICK:</p> <p>15 Q. You have testified previously to a</p> <p>16 certain extent about various litigation</p> <p>17 recoveries.</p> <p>18 I refer you to paragraph 28 now in</p> <p>19 your report.</p> <p>20 A. Yes.</p> <p>21 Q. That paragraph starts, "The FGIC</p> <p>22 settlement excludes contingent assets such</p> <p>23 as potential recoveries from pending</p> <p>24 litigation that relate to allegations of</p> <p>25 fraud and other causes of action in</p>	<p>1 Goldstein</p> <p>2 connection with the RMBS transactions."</p> <p>3 It is your opinion that FGIC's</p> <p>4 analysis as well as Duff & Phelps' analysis</p> <p>5 should have included the value of certain</p> <p>6 potential litigation recoveries in their</p> <p>7 analysis?</p> <p>8 A. It should have an assessment of it</p> <p>9 and if there was value then it should have</p> <p>10 been included, absolutely.</p> <p>11 Q. To what extent don't you believe</p> <p>12 they assessed the value of those</p> <p>13 litigations?</p> <p>14 MR. BAIO: Object to the form.</p> <p>15 BY MR. KOTWICK:</p> <p>16 Q. To what extent don't you believe</p> <p>17 that FGIC assessed the value potential value</p> <p>18 of those litigations?</p> <p>19 MR. BAIO: Same objection.</p> <p>20 THE WITNESS: I think FGIC has</p> <p>21 estimated it and we see a portion of it</p> <p>22 in their filing.</p> <p>23 BY MR. KOTWICK:</p> <p>24 Q. You are referring to the billion</p> <p>25 58 million number that you testified to?</p>
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<p>1 Goldstein</p> <p>2 A. Yes. However in the Duff & Phelps</p> <p>3 and I think in their offer it explicitly</p> <p>4 removes that potential upside for the</p> <p>5 holders and is offering the 253 million in</p> <p>6 complete release of all other rights to any</p> <p>7 other funds.</p> <p>8 Q. You agree that in order to include</p> <p>9 potential recoveries in the base case those</p> <p>10 recoveries would have to be both probable</p> <p>11 and estimable?</p> <p>12 MR. BAIO: Object to the form.</p> <p>13 THE WITNESS: When I read the</p> <p>14 standard it is not -- estimable and</p> <p>15 probable is the accounting term for the</p> <p>16 recording of a liability.</p> <p>17 In this particular case this is an</p> <p>18 asset and those have different standards</p> <p>19 and the standards required for the</p> <p>20 regulator or for the entity is dictated</p> <p>21 in the writeup and I went through that a</p> <p>22 little bit before that you sort of get a</p> <p>23 range of recoveries and you look at your</p> <p>24 probability of success just like I</p> <p>25 described as people should have done as</p>	<p>1 Goldstein</p> <p>2 any fiduciary would when you look at</p> <p>3 litigation likelihood of success. Cost</p> <p>4 of getting there coming up with a net</p> <p>5 amount.</p> <p>6 That is also a requirement in the</p> <p>7 regulations that is done prior to, in a</p> <p>8 consideration of that particular value</p> <p>9 that is provided.</p> <p>10 BY MR. KOTWICK:</p> <p>11 Q. What is your experience in valuing</p> <p>12 potential recoveries in impending</p> <p>13 litigations?</p> <p>14 A. I have made career of it.</p> <p>15 Q. With respect to the AFI litigation</p> <p>16 that you reference on page 11, paragraph 28,</p> <p>17 Romanette ii, did you form an opinion</p> <p>18 concerning FGIC's recovery against AFI in</p> <p>19 the AFI litigation?</p> <p>20 A. I have not.</p> <p>21 Q. Have you undertaken any legal</p> <p>22 analysis of the strengths and weaknesses of</p> <p>23 the claims in that litigation?</p> <p>24 A. I have not.</p> <p>25 Q. So you have no opinion as to what,</p>